

NACS

January 16, 2002

Mr. Scott Walker  
Reports Analyst  
Federal Election Commission  
Washington, D.C. 20463

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2002 FEB 11 P 1:52

RE: National Association of Convenience Stores PAC (C00126763)

Dear Mr. Walker:

This responds to your letter dated December 19, 2001, regarding the Amended 2001 Mid-Year Report for the above-referenced committee. Schedule B of that amended report identified a payment of \$100,073 to the National Association of Convenience Stores. Your letter asks us to clarify this payment.

Please be advised that the payment was made pursuant to 11 CFR 114.5(b)(2) which is the so-called "one-third rule." The regulation states that gifts and prizes may be used as fundraising devices by a PAC and paid for by the connected organization. However, if the value of the gifts or prizes exceeds one-third the amount raised for the PAC, then a payment for the difference must be made to the connected organization. NACSPAC reimbursed the National Association of Convenience Stores after calculating all the costs of gifts and prizes used in fundraising efforts throughout calendar year 2000 and the amount raised as a result of those items. In complying with the one-third rule NACSPAC also relied on Advisory Opinion 1999-31, which recognized that gifts and prizes can be used in year-long fundraising activities. For that reason, the amount of the reimbursement could not be ascertained until after the end of the calendar year.

Because of the above stated reasons for the expenditure, we do not detect any need for an amendment to the report regarding that issue. As for your second question regarding the office sought for contributions reported on Schedule B, line 23, we will file an amendment in an electronic format as requested.

Sincerely,



Dan Mulvaney  
NACS Political Director

## Federal Election Commission

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